

Below is a summary of the new tax on the emissions of greenhouse gases and compounds, approved by the State of Colima.

On January 25th, 2025, the Decree 34 was published, to add Chapter IX entitled “Ecological Taxes” to a section of the Colima State Revenue Law (the “Law”).

Through this Decree, articles 41-Z-Bis-16 to 41-Z-Bis-28 were added to the Law. These provisions regulate the new tax applicable to Greenhouse Gases and Compounds released into the Atmosphere (collectively, the “Greenhouse Gases”).

The emissions taxed comprise the following Greenhouse Gases released from fixed sources and generated by taxpayers within the territory of Colima:

- Carbon dioxide;
- Methane;
- Nitrous oxide;
- Hydrofluorocarbons;
- Perfluorocarbons; and
- Sulfur hexafluoride

The statutory definition of “emissions into the atmosphere” includes the direct release of Greenhouse Gases, through fixed sources, that affect the air’s quality and the atmosphere’s compounds, thus impacting environmental deterioration, by causing global warming.

Article 41 Z BIS 22 of the Law establishes that, to determine the number of emissions (in tons) released, the taxpayer must multiply the tons released -considering the type of gas- to the CO₂e equivalence factor. Such provision also establishes that, the emissions that include gases not foreseen in the table set forth such provision must be considered as part of the taxable basis and perform the conversion according to the “related factor”.

Factors not included in such table can be found in the “supplementary materials” from the Sixth Evaluation Report (AR6) issued by the United Nations’ Intergovernmental Group of Experts on Climate Changes (IPCC).

To determine the tax payable, taxpayers shall be subject to a fixed quota of the daily value of 5 UMAs (per its Spanish acronym), per ton emitted.

Taxpayers are also subject to an annual payment of the tax by filing a return no later than April of the fiscal year following the year in which the taxable event related to the emissions occurred.

The Law provides for an exemption to taxpayers that: (i) participate in the “Cap and Trade” Federal system, provided such taxpayer is in the “operational” phase; and (ii) demonstrate having reached a “carbon neutrality”.

Additionally, certain tax incentives related to this emission tax are set forth in the Law.

Pursuant to the transitory provisions, notwithstanding the Decree 34 was recently published, the provisions regulating such emissions tax came into effect as of January 1st, 2025.

The constitutionality of the provisions regulating the aforementioned tax can be challenged through an amparo claim, at follows: (i) within 30 days following the date of its entry into effect; or (ii) within 15 days following the first act of application, which must be analyzed on a case-by-case basis.

For further information, please contact any of the following email addresses: dlester@galicia.com.mx; pyaber@galicia.com.mx; amadero@galicia.com.mx and arturo.alvarez@galicia.com.mx.

* * *

This document is a summary for disclosure purposes only. It does not constitute an opinion and may not be used or quoted without our prior written permission. We assume no responsibility for the content, scope or use of this document. For any comments regarding it, please contact any partner of our firm.